UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
AIR AND RADIATION

OCT 28 1992

MEMORANDUM

TO: All Parties Interested in Implementation of the Oxygenated Gasoline Provisions of the Clean Air Act

SUBJECT: Modifications of EPA Oxygenated Gasoline Guidelines Regarding Analytical Testing and Transfer Documents

FROM: Mary T. Smith, Director
Field Operations and Support Division

Now that our guidelines on oxygenated gasoline credit programs have been finalized, the Agency has received a number of concerns from the states and the regulated industry. With this memorandum, the Agency would like to notify the states of these issues and suggest some basic policy adjustments.

The first situation which has come to our attention as a potential problem are the transfer document guidelines. Paragraph (h)(3) of the guidelines states:

> Each time that physical custody or title of gasoline destined for a control area changes hands other than when gasoline is sold or dispensed for use in motor vehicles at a retail outlet or wholesale purchaser-consumer facility, the transferor shall provide to the transferee, in addition to, or as part of, normal bills of lading, invoices, etc., a document containing information on that shipment. This document shall accompany every shipment of gasoline to a control area after it has been dispensed by a terminal...The information shall legibly and conspicuously contain the following information...type of oxygenate... for gasoline which is in the gasoline distribution network between the refinery or import facility and the covered area terminal, the oxygen content by weight and the oxygenate volume of the gasoline.

The potential difficulty is that when dealing with fungible specifications of gasoline, carriers may not be able to accurately describe the exact types and volumes of the oxygenates contained in each batch of gasoline received by the terminal owners and operators. For example, Colonial Pipeline has fungible specifications which allow the use

of a combination of ethers. This may cause some uncertainty downstream, because exact types and amounts of oxygenates will be unknown. For this reason, while the carrier will be able to certify oxygen percentage by weight, it will not be able to provide definitive information concerning oxygenate types and volume percents. We anticipate that other pipelines will adopt similar positions, making it difficult in some situations to comply with the letter of the EPA guidelines.

The Agency recommends that states allow terminal operators the flexibility of providing only information on oxygenate weight percentage and oxygenate class (i.e. ethers versus alcohols) on their transfer documents. This information should be sufficient to demonstrate compliance with the oxygen content requirements.

The second issue involves the analytical procedure for determining the amount of oxygen by weight in gasoline. Paragraph (h)(1)(i)(A) of the guidelines specifies that refiners must include as part of their records the "results of the tests performed to determine the types of oxygenates and percentages by volumes," and paragraph (d) of the guidelines specifies that either ASTM or EPA test methods be used to determine the oxygen content of the gasoline. The American Petroleum Institute has recently submitted new information concerning the use of flowmeters in fuel blending, and it is EPA's opinion that the methodology of using meters has excellent precision in determining the oxygen content by weight in gasoline. This methodology would facilitate oxygen content certification for in-line (or on-the-fly) blending because the lab test method for oxygen content certification is not compatible with the practice of in-line blending.

Therefore, EPA recommends that both refiners and oxygenate blenders have the option of using this meter methodology in determining the required oxygenate level for gasoline. Please see the attached guidelines for more technical information about this recommendation.

EPA recommends that states accept these adjustments to the oxygenated gasoline program. If you have any questions regarding these issues, please call Meredith G. Miller of my staff at (202)233-9031.

Refiner (oxygenate) → terminal: invoice
oxygen by weight, oxygenate class

terminal → invoice
oxygen by weight, oxygenate class